THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): (a) to (c) Due to the extreme distress caused to the farmers in Andhra Pradesh by extensive damage to the crops affected by pests and drought severely impairing the repaying capacity of the borrowers, a relief package was extended to the affected farmers in Adnhra pradesh as a special case. Reserve Bank of India (RBI) has issued instrsuctions in this regard to the Andhra pradesh State Level Bankers Committee Convenor Bank i.e. Andhra Bank. These relief measures include no recovery of either principal or interest from the affected farmers for a period of two years; conversion/reschedulement of loan for a period of 7 years excluding initial moratorium period of two years; and sanction of fresh crop loans to the affected farmers, etc. There will be no compounding of interest in respect of these rescheduled loans. RBI has also instructed its regional office at Hyderabad to ensure strict compliance of the instructions by banks in the affected areas.

Collective Investment Schemes

2224. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is the total number of Collective Investment Schemes known as plantation issues, which are functioning at present and how much funds have since been mobilised by the promoters of theses schemes;

(b) whether the SEBI has appointed any Committee to formulate a draft regulatory regime for the issue of CIS companies; and

(c) if so, the details of the recommendations made by it and what decision has been taken thereon?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per information provided by SEBI, there are 653 entities which have mobilised Rs. 2562.83 crore from the public by way of collective investment schemes such as plantation, horticulture, animal Husbandry schemes etc.

(b) and (c) SEBI had appointed a committee to formulate the Regulations for collective investment schemes and the committee has submitted the draft Regulations to SEBI on 31st December, 1998. The major recommendations of the committee *inter-alia* are:

(i) a two tire structure for the collective investment schemes on the lines of mutual funds with a Trust and an investment management company;

(ii) Compulsory registration with SEBI and only SEBI approved trustees to be Trustees of the Schemes;

(iii) A mandatory credit rating of the schemes by recognised credit rating agency; and

(iv) A minimum networth requirement of Rs. 10 crore for the collective investment management company.

The recommendations of the committee's report have been circulated by SEBI for public discussion and comments have been invited from investors and scheme operators.

Reduction in the level of Subsidies

2225. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the cut in subsidies has been done under the influence and pressure of foreign powers;

(b) whether it is also a fact that the cut in subsidies on consumer items will directly and adversely affect the people living below the poverty line; and